



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

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**BILL HASLAM**  
GOVERNOR

**RAQUEL HATTER, MSW, Ed.D.**  
COMMISSIONER

**Certified Mail - Return Receipt Requested # 70151520000275135428**

April 19, 2016

Ms. Vivian Parker, Executive Director  
Ms. Tracy Coady  
Ms. Lisa Carter  
ABC Nutrition Program, Inc.  
165 Hammond Rd.  
Camden, TN 38320

**RE: Notice of Termination and Disqualification of Child and Adult Care Food Program  
Agreement Number Sponsor of FDCH Agreement Number: 03-47-64394-00-5 and  
Sponsor of Unaffiliated Child Care Centers Agreement Number: 03-47-64439-00-1**

Dear Madams:

This letter serves as notice that the Tennessee Department of Human Services ("Department") is terminating the Child and Adult Care Food Program ("CACFP") agreement with ABC Nutrition Program, Inc. and Ms. Vivian Parker, Executive Director, Ms. Tracy Coady and Ms. Lisa Carter (collectively, "Institution"). The grounds for this action are the Institution's failure to correct the serious deficiencies with the Institution's CACFP and the Institution's failure to return the over-payment money due to the Department. The authorization for this action is found in Paragraph 1.e. of your FY 2014 CACFP Provider Agreement and in the United States Department of Agriculture ("USDA") Food and Nutrition Service ("FNS") regulations at 7 C.F.R. § 226.6(c)(3)(iii)(E).

The action in this letter is based on the Institution's failure to provide the over-payment money due to the Department and the Institution's failure to provide a Corrective Action Plan that meets the requirements contained on Page 4 of Memo Code CACFP 14-2012 dated May 1, 2012. On January 6, 2016, the Department of Human Services ("Department") sent you a Notice of Serious Deficiency. The notice outlined the following: Serious Deficiency: According to Independent Audit Report pages 12 - 17, ABC Nutrition Program, Inc. did not comply with CFDA 10.558

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CACFP as described in finding numbers: 2014-04 for Reporting and 2014-05 for Monitoring and also exhibited material weakness with its internal controls. In addition, the report noted that, three (3) members of the Organizations Management Team were criminally charged as to unauthorized administrative disbursements. Finally, the Independent Audit Report stated, material weaknesses may exist that may not have been identified due to the limited scope of the Audit tests. Because the Institution submitted an Independent Audit Report with Material Findings, the Department has determined that the Institution is not administratively capable and financially viable for the continued receipt of federal funds. Additional Finding: According to Independent Audit Report pages 20 - 21, ABC Nutrition Program, Inc. did not comply with CFDA 10.558 CACFP which effected the disbursements to be over the specific approved budget amounts resulting in questioned costs of \$135,166.76. In addition, occupancy costs were not allocated between the program and non-program entities and allowable administrative expenses reimbursed by the Department thus resulting in questionable costs in the amount of \$2,549.36.

This failure resulted in the Department determining that the Institution and the Responsible Individuals are seriously deficient in their operation of the CACFP. **The Institution has not submitted the over-payment of \$137,716.12. A 1% interest charge (\$2,754.32) has been added to the over-payment. To provide for the recovery of the over-payment, please remit a check payable to the Tennessee Department of Human Services in the amount of \$140,470.44.**

The Institution has not paid the overpayment identified. In addition, the responsible individual was asked to complete corrective action. However, the Institution and responsible individuals failed to complete an adequate Corrective Action Plan (CAP). Accordingly, the Department determined that the Institution and the Responsible Individuals have failed to fully and permanently correct the serious deficiency cited in the Serious Deficiency Notice.

As a result of the Institution's failure to submit an adequate Corrective Action Plan, a Notice of Proposed Termination and Disqualification was issued February 4, 2016. An administrative order issued April 15, 2016, upheld the Department's action in issuing the Notice of Proposed Termination, and held that the Institution shall be disqualified and terminated. As a result, the Institution's CACFP Provider Agreement is formally terminated as of the date of this letter and ABC Nutrition Program, Inc. and the Responsible Individuals are disqualified from future CACFP participation as required by the CACFP regulations at 7 C.F.R. § 226.6 (c)(3)(iii)(E).

Institutions and individuals remain on the NDL until USDA's Food and Nutrition Service, in consultation with the Department, determines that the serious deficiencies have been corrected, or until seven years after their disqualification. However, if any debt relating to the serious deficiencies has not been repaid, they will remain on the NDL until the debt and any accrued interest is repaid. In accordance with 7 C.F.R. § 226.14(a), in part, the State agency must assess interest beginning January 6, 2016. For information about applied interest rates please visit the following website:

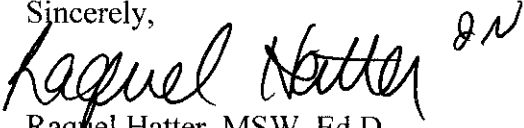
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[http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical\\_rates.htm](http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical_rates.htm)

The authorization for this action is found in Paragraph 1.e. of your FY 2014 CACFP Provider Agreement and in the CACFP regulations at 7 C.F.R. § 226.6(c)(3)(iii)(C).

If you have any questions, please feel free to contact Allette Vayda at (615) 313-3769.

Sincerely,

 *Raquel Hatter* <sup>SN</sup>

Raquel Hatter, MSW, Ed.D.  
Commissioner  
AV/ba